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AUTHOR Kinghorn, Cris
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ABSTRACT

This paper provides an overview of the differing levels of disintermediation (defined by Harvard Business Review as simply "compressing the supply chain") experienced by business information professionals with mature end-user communities, and their impact on the role of today's information center. Technology has made disintermediation inevitable, simply because it makes it possible--new technologies empower end-users and advance the speed of the dissemination of information. Most information professionals, especially in the business world, are already living with disintermediation, and have expanded their role to encompass the management of it. End-user access to information may give end-users the ability to find most of what they want, most of the time, but without the effective content management provided by an information professional, the end-user may find themselves extremely frustrated by some of the limitations of the search products. In addition, all end-users, no matter how good they are at finding the information they need, are being paid to do something else at the company. The information professional needs to evaluate the end-user to provide appropriate resources and training, and to evaluate the information needs of the company as a whole to help meet these needs in the most cost effective way. All information professionals will have to face some level of disintermediation, and the role of the information professional will change, but it will not disappear. Disintermediated industries are showing increasing signs of reintermediation, through the creation of new distribution channels but primarily via the redefinition of value added services. Balancing the disintermediation with the reintermediation is one of the challenges in today's information industry. (SWC)

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What To Do When Disintermediation Looms

By:

Cris Kinghorn

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What to do when disintermediation looms

Cris Kinghorn
Bankers Trust Company, USA

Abstract: *An overview of the differing levels of disintermediation experienced by business information professionals with mature end-user communities, and their impact on the role of today's information centre.*

Keywords: disintermediation, reintermediation, end-user, value added, content management, knowledge management

Introduction

Being a Wednesday's child and therefore 'full of woe', when I first considered the title of my contribution to this morning's session I did initially feel myself instinctively concentrating more on the looming than on the disintermediation ... The simple truth is however that for many people disintermediation is long past the looming stage — it has been a fact of life for many service industries for quite some time. Travel agents, bankers, insurance brokers, stockbrokers, retailers, in fact most types of sales personnel across a wide variety of industries have all experienced some level of disintermediation. You can now book your holiday directly from an online kiosk in the corner of the shop, rather than watching the person behind the counter do it for you, or buy and sell stocks directly over the Internet, rather than paying your broker to do it for you. There are many examples of how the removal of the intermediary or 'middle man' is benefiting the consumer and the industry in question. Are information professionals the middle men of the information industry and therefore potentially the disintermediated? Or are they the information leaders, invaluable to end-users, guiding and controlling what they do, partnering with vendors to ensure the delivery of the right products, via the best method at the right price? The information expert that end-users will defer to as the authority with the training, the experience, the critical ability to identify the best source to provide the solution — potentially the reintermediated? It is my belief that we in the information industry are in the happy position of being able to advocate and experience many differing levels of disintermediation and turn most to our advantage.

The *Harvard Business Review* has defined disintermediation as simply 'compressing the supply chain' and it is true that greater levels have been experienced in those industries where the distribution process was perhaps more disproportionate to the whole than in others. Disintermediated industries are however also showing increasing signs of reintermediation, through the creation of new distribution channels but primarily via the redefinition of value added services.

Alternative channels of product and service distribution irrespective of the industry will force targeted marketing to niche consumers — disintermediation will cause market leaders to add value in order to retain their position as a crucial part of the process. The same *Harvard Business Review* that provided the definition (July/August 1996 — 'Nine routes to industry revolution') noted that radical developments in a particular industry or product change how they are viewed and made available. Their example was the 35mm camera — how many parents would pass over their prized Pentax to their child so that he could take photographs at a friend's birthday party? Yet one major use of disposable 35mm cameras is parents giving them to their children — the cost effective single use camera has made photography virtually universal. The traditional boundaries of that market's space were redefined by a revolutionary idea — many industries are capable of scaling down or up in order to occupy niches: survival may be dependent on them doing so.

Boundaries move

The development of end-user products, the increasing power of the desktop PC and the huge expansion in network capabilities have moved the traditional boundaries of the information world. Technology has made disintermediation inevitable for us, simply because it makes it possible — new technologies empower end-users and advance the speed of the dissemination of information. More specific data with a greater value can be given to huge numbers of people on a very cost effective basis faster than ever before. Most organisations today are putting all of their staff under pressure to work longer, harder, faster, smarter — efficient resource management

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helps a corporation to achieve those goals. Many of the most efficient corporations are those who do not restrict access to information, whether generated internally or externally and particularly when internal and external information are integrated effectively to ensure true knowledge management. The phenomenal increase in the growth of corporate Intranets and the widespread adoption of policies such as end-user access are making the more effective use of information part of the standard business practice of more companies. Can the information professional therefore avoid disintermediation? In many ways, and particularly for those of us in the business information world, it's a little late to be considering that question. Many of us are already living with it: most of us have expanded our role to encompass the management of it.

Do it yourself

Human nature being what it is, there will always be people who will want to do what they can for themselves, either because they perceive that it's a cheaper, more timely or more flexible option or simply because they can. End-users can very easily do their own editorial trawls, find the most recent brokers' report, pull down the biog of the person they are meeting for lunch, find out how much money was spent on cinema advertising in France in the last five years, check when the patent for their competitors product expires, or the average price paid to acquire a small publishing company in Italy last year. The scenarios are endless and it is inevitable that many people will want to do some of these things for themselves: some of them may even become quite good at it. However, I think that perhaps more important than the word *inevitable* in that statement, is the phrase *some of*. Any good information centre or library is much much more than the sum of *some of*. As we are all fully aware, there is more to professional information provision than simply handing over, or e-mailing the data to whoever asked the question, or facilitating their direct access to the products and services that provide the answers. Someone has to make it their business to sift the good information products from the not so good/difficult to use/too expensive information products, to know why this service is better for this particular question than its competitors, to negotiate an acceptable price for it and to ensure that acceptable contractual conditions are in place for appropriate access.

It is perhaps in the area of content that disintermediation will fail the end-user most consistently. In a professional environment where a huge amount of editorial information is delivered electronically in a number of ways to many desks, I have regularly experienced the enquirer who insists they saw an article of precise relevance to the deal they are about to close in a particular publication and they are often able to go into ridiculous levels of detail about why they are so sure it was published here and on this date, but they have not been able to pull it from the editorial retrieval service on their desktop. Most of us will stifle wry smiles during these conversations, and undoubtedly the critical article can be found by searching the same publication but a different time period, or the same date but a different publication. How many end-users, however, will truly understand that even though they do have the correct reference they may not be able to find the article in question because although a particular file or group of files contains a publication, it may only be a relatively small proportion of that publication, or it may only proved abstracts and not the full text. The complete cover to cover full text coverage may well be in another product or simply not available electronically — good old inter-library loans or document acquisition may be the only option. End-user access may give them the ability to find most of what they need, most of the time, but without the effective content management provided by an information professional the end-usera may well find themselves extremely frustrated by some of the limitations of the products on offer to them.

Doing what they do

The longer it takes an end-user to find what they are looking for, the longer they are not performing their key function — whatever it is they are actually paid to do. The bottom line is that all end-users, however good they are at finding the information they need, are actually being paid to do something else. The ability to find the data — assuming they have the will, and that is not always the case; the reluctant end-user who resents being trained to find his own exchange rate or create a table noting his portfolio's most recent market capitalisation does exist — is a skill they can only take so far precisely because it is only a part of their purpose. Even the best trained end-user may have only a patchy understanding of why that resource proves inadequate on some occasions and there is definitely a limit to the number of resources they can successfully navigate and still perform their core function effectively. Finding and delivering the most cost effective and accurate information is our core function and we should all be striving to prove the value of that function to the corporation. Sadly many information professionals still measure their value only by counting the number of requests they turn over — more requests successfully completed are perceived as better value and faster response times are perceived as better productivity. Those measurements however only tell part of the story — measuring the leverage your service provides by saving a senior manager's time so that he is free to generate more revenue also has a value and it is increasingly important in this age of disintermediation that you are able to place this kind of value on your expertise. Many senior managers in the 1995 Matarazzo survey for SLA cited as the reason for their adoption of end-user policies the fact that making the people self sufficient in the easier information tasks frees up the information centre staff to do more in-depth value added work. Twnety eight percent of the senior managers participating in that survey agreed that in-depth knowledge of information is still the exclusive domain of the information professional.

Evaluation

Hand in hand with evaluating the products and services we use and can provide to end-users comes evaluation of the end-user. He may claim to need everything you are prepared to offer him and may even suffer the training with a reasonably positive attitude, but how many will still be using all of the resources you so obligingly provide six months after desktop access becomes policy? My experience of managing direct access to a number of electronic products over several years would lead me to advise the importance of (a) training them properly and specifically where possible; (b) ensuring that they keep up to date with regular refreshers; and (c) making sure that you either run an audit programme if you are providing access via a comms server so that you can track their every move, or (d) take the time to assess each user's monthly usage and invoices so that you can establish just how effective their access is.

When we trained every new, information hungry management associate in every electronic resource, we could see usage patterns emerging within a matter of two or three months. They began to use only their favourite services, perhaps those which provided what they found to be the most attractive interfaces and intuitive navigation tools, or those which provided what they absolutely had to have in order to do their jobs properly. So, by the end of the first few months of their end-user life they almost to a man were down to using two or three online resources and two or three of the CD-ROMs. This led to some radical rethinking in our baby banker training programme the following autumn: we got more involved in the process before it began and found out which of them would be assigned an industry specialisation and which of our resources were best suited to providing exactly what they would need, applying our knowledge of our industry to our knowledge of theirs.

The regular reassessment of your end-user policy to ensure that you are providing only the most relevant services to each individual is vital. That may seem a fairly basic and obvious statement but it's advice that can often be overlooked. You may hear fellow information managers claim 'yes, we have widespread end-user access,' but how many of them ever check to see if the 25 networked at great expense users of a particular product are all still regularly using it? Getting a good price and making it work on all those desks isn't the end of the process but the beginning. Training must be both frequent and specific, allowing the end-user to attain some level of expertise in those products made available to him. The information centre with an active end-user community will find themselves playing a key role in the continuing education of that community — our role has expanded to encompass a training function yet remains the same in that we are still required to be expert in every information resource. Regularly reviewing desktop use provides valuable feedback for vendors in the development of the next generation of their product: by maintaining those lines of communication we can help in the creation of effective, easy to use and cost effective products for our users.

Varying needs

Across the globe, the information needs of a company may vary — each site needs access to resources specific to their region, to information about the markets where the divisions they work with are active, but a company marketing very similar products in a number of countries will have similar information needs at each site. End-user access in some industries is therefore increasingly becoming cross border and with the utilisation of groupware products and Intranet capabilities, several sites can now fairly easily be serviced by a single centrally located information centre. Many of the larger corporations with a number of information centres around the globe are mandating the creation of an information network to facilitate effective knowledge management. Their information centres are increasingly working together in a more cohesive fashion, usually with their IT departments, to establish standards and procedures and common information policies and provision. For example the end-user in many international banks today will have the same desktop irrespective of where he is located. One contract or several contracts with the same vendor may service these users — the information centre management is the focus of global information provision and the negotiation of global contracts for these resources. Saving your company significant amounts of money by consolidating contracts for information services and products can very positively enhance your profile and emphasis your value.

The full-service option

I mentioned a number of disintermediated industries earlier, for example stockbrokers seeing some of their clients doing their own trading. What a number of them have also reported seeing, however, is an increase in the number of clients looking for the full service option. The glut of information they can access for themselves is forcing them to become more sophisticated and to look for better long term strategies for which they need the superior knowledge of the broker. A recent survey by Arthur D. Little and the Giga Information Group attempted to measure the effect of electronic commerce on business. Almost half of their respondents did not buy the premise that disintermediation is an important reason for taking the electronic option. This led them to conclude that perhaps disintermediation is viewed as a natural result of new business practices being adopted and therefore that those who provide minimal added value will be vulnerable to disintermediation. Michael Taylor, ADL's TIME director (Telecomms, Information, Media and Electronics) was quoted as stating that only those providing 'sustainable positive value will be immune' from disintermediation and that 'reintermediation will take place as new distribution channels are formed and value added services are redefined'. A concept echoed by the

chairman of the Ontario Securities Commission, Ed Waitzer who has stated that 'even with the democratising of infrastructure and information, there will always be individuals willing to pay for someone to do it for them.'

What to do when disintermediation looms?

Well, you know it's coming, you can't avoid it and if you don't handle it in a positive way it could destroy you: lead it, follow it or get out of the way. All of us at some time or another will have to deal with some level of disintermediation. In our industry today, change is one of the few constants. I think that my job is more interesting and valuable to my employer as a result of disintermediation — we have ensured that we were part of it, that in some circumstances we advocated it and that it has become part of our remit to manage it. Part of our remit, not our sole reason for being, and not *instead of* what we did before but *in addition to*. Balancing our disintermediation with our reintermediation is one of the daily challenges which make working in today's information industry much more interesting than working in the information industry of 10 years ago.

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